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NEWS RELEASE

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ELECTRIC SYSTEM RELIABILITY IMPROVING IN KENTUCKY *Most customers see shorter outages*

FRANKFORT, Ky. (June 3, 2008) – Kentucky electric customers whose power goes out are seeing the lights come back on more quickly than in the past, according to data collected by the Kentucky Public Service Commission (PSC).

While the frequency of outages, including those caused by severe weather, generally has not changed, utilities are doing a better job of restoring power quickly, the PSC found when it analyzed information from the 22 regulated utilities that retail electricity. As a result, most Kentucky customers can expect to have electric power better than 99.97 percent of the time.

Other findings of the PSC's report on electric distribution reliability include:

- Most customers can expect between 1.1 and 1.7 power interruptions per year from routine causes such as equipment failures, animals getting into equipment, falling limbs or vehicle accidents.
- When major storms or other unusual events are factored in, the expected total number of outages rises to between 1.3 and 2 per year.
- The typical outage from normal causes lasts between 80 and 97 minutes, rising to 84 to 121 minutes when unusual events are factored in.
- Most Kentucky electric customers can expect to be without power for between 49 and 135 minutes per year.

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The figures are contained in the first-ever annual electric distribution reliability report compiled by the PSC. The report includes data from 2007 and, for most utilities, the four preceding years as well.

Data for the report were submitted in compliance with an order issued by the PSC on Oct. 26, 2007. The order required electric distribution utilities within the PSC's jurisdiction to submit annual reliability reports.

Utilities are required to report reliability using specific methodologies and indices that are standard in the electric industry.

Reports also must include an analysis of the causes of outages in the previous year and how much each cause contributed to outages overall. Utilities are to identify the 10 worst-performing circuits for each outage index and identify the predominant cause of the reliability problems on that circuit.

The reporting requirement was the end result of an investigation opened by the PSC in December 2006. The investigation stemmed from recommendations made in 2005 in a PSC report on Kentucky's electric infrastructure. That report noted that utilities were not required to, and did not report, reliability data in a standard way.

"This report marks the first step in establishing a record of how well Kentucky's electric utilities are doing in providing reliable service to their customers," PSC Chairman David Armstrong said.

"Although reliability appears to be high, annual reporting will enable the PSC to identify any emerging problems," Armstrong said. "We can then move to address those issues."

The 2007 reliability report is available on the PSC Web site, psc.ky.gov.

The PSC is an independent agency attached for administrative purposes to the Department of Public Protection in the Environmental and Public Protection Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in the Commonwealth of Kentucky and has approximately 100 employees.